



# Weekly Economic Highlights

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Week Ending  
14 JUNE 2019

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for deposits of 3-month tenor declined to 4.21%, during the week ending 14<sup>th</sup> June 2019. Deposit rates for savings deposits and deposits of 1-month tenor, however, remained unchanged.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
17-May-19	4.16	3.90	4.17
24-May-19	4.16	4.10	4.24
31-May-19	4.16	4.10	4.24
7-Jun-19	3.91	4.00	4.24
14-Jun-19	3.91	4.00	<b>4.21</b>

Source: Banking Institutions, 2019

### Lending Rates

Commercial bank weighted lending rates for individual clients declined by 0.01% points to 9.22%, during the week under review. Similarly, weighted lending rates for corporate clients declined from 7.27% in the previous week to 7.24%, during the week ending 14<sup>th</sup> June 2019.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
17-May-19	9.32	7.31
24-May-19	9.28	7.27
31-May-19	9.31	7.33
7-Jun-19	9.23	7.27
14-Jun-19	<b>9.22</b>	<b>7.24</b>

Source: Banking Institutions, 2019

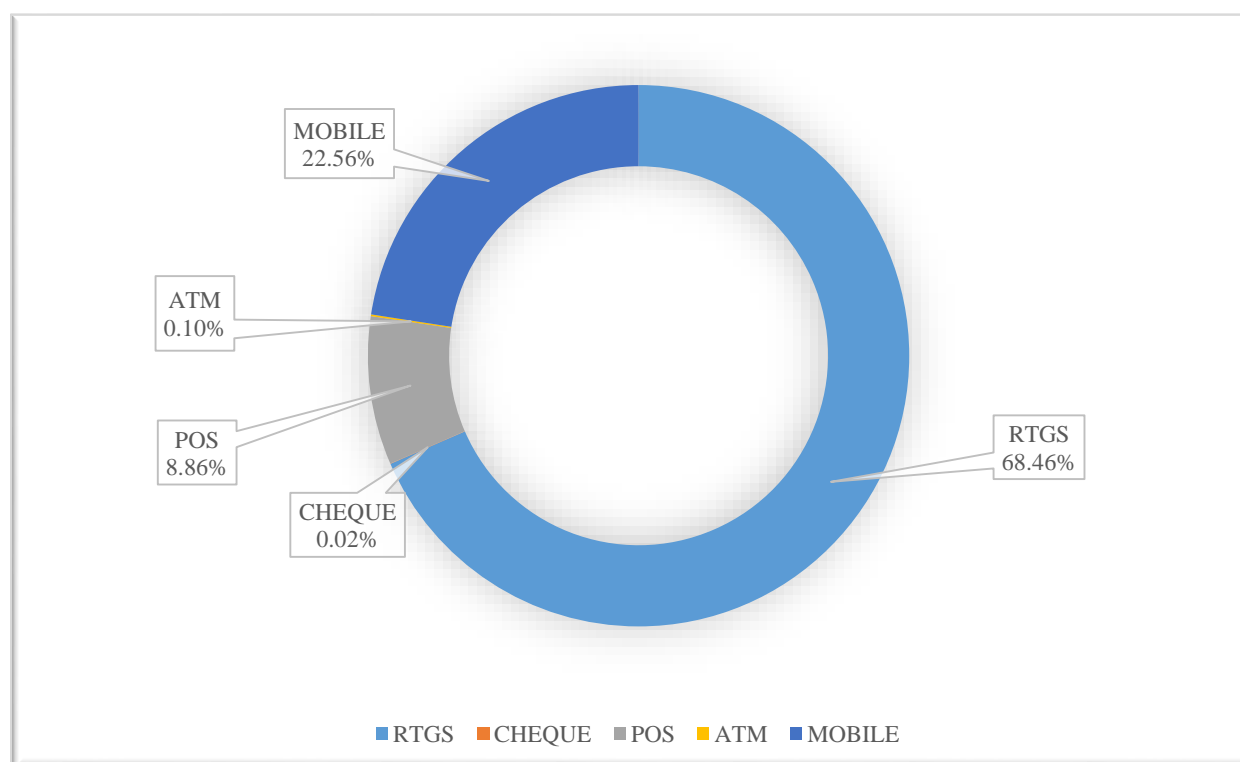
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 14<sup>th</sup> June 2019, transactions worth \$5.6 billion were processed through the National Payment System (NPS). Real Time Gross Settlement (RTGS) transactions, which accounted for the largest share of NPS by value, declined to \$3.8 billion during the week ending 14<sup>th</sup> June 2019, from \$4.5 billion recorded in the previous week.

The proportions of NPS transaction values were distributed as follows: RTGS, 68.46%; Mobile, 22.56%; Point of Sale (POS), 8.86%; Automated teller Machine (ATM), 0.10%; and Cheque, 0.02%, as shown in Figure 1.

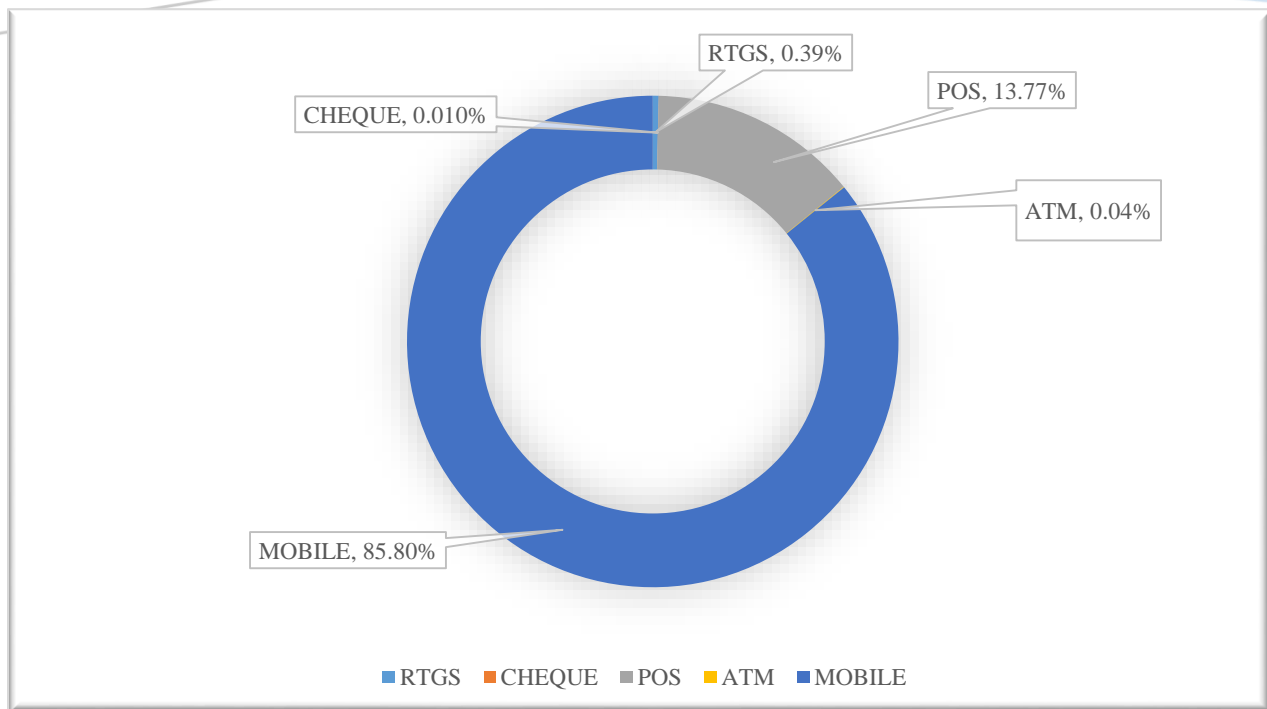
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

The volume of transactions processed through the NPS decreased by 10.79% to 38.5 million transactions, during the week under review. This compares to 43.2 million transactions processed in the previous week. The transaction volumes were distributed as follows: Mobile, 85.80%; POS, 13.77%; RTGS, 0.39%; ATM, 0.04%; and cheque, 0.01%, as shown in Figure 2.

**Figure 2: Composition of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe, 2019

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING	WEEK ENDING	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	7th June 2019	14th June 2019		
	<b>VALUES IN \$ (Millions)</b>			
<b>RTGS</b>	4,468.62	3,817.82	-14.56%	68.46%
<b>CHEQUE</b>	0.94	1.07	14.08%	0.02%
<b>POS</b>	452.53	494.19	9.21%	8.86%
<b>ATM</b>	8.04	5.63	-30.00%	0.10%
<b>MOBILE</b>	1,471.87	1,257.84	-14.54%	22.56%
<b>TOTAL</b>	<b>6,402.00</b>	<b>5,576.55</b>	<b>-12.89%</b>	<b>100%</b>
	<b>VOLUMES</b>			
<b>RTGS</b>	134,050	148,752	10.97%	0.39%
<b>CHEQUE</b>	3,426	3,821	11.53%	0.01%
<b>POS</b>	6,108,663	5,306,331	-13.13%	13.77%
<b>ATM</b>	30,479	14,889	-51.15%	0.04%
<b>MOBILE</b>	36,924,882	33,067,138	-10.45%	85.80%
<b>TOTAL</b>	<b>43,201,500</b>	<b>38,540,931</b>	<b>-10.79%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019

### 3. TOBACCO SALES

A cumulative total of 316,322 kilograms of tobacco had been sold as at 14<sup>th</sup> June 2019 or day 59 of the 2019 tobacco selling season. The quantity sold was 14.1% lower than the cumulative total of 368,283 kilograms sold during the same period in 2018. Similarly, the total sales value of the golden leaf decreased to US\$0.59 million, compared to US\$1 million realized during the corresponding period in 2018.

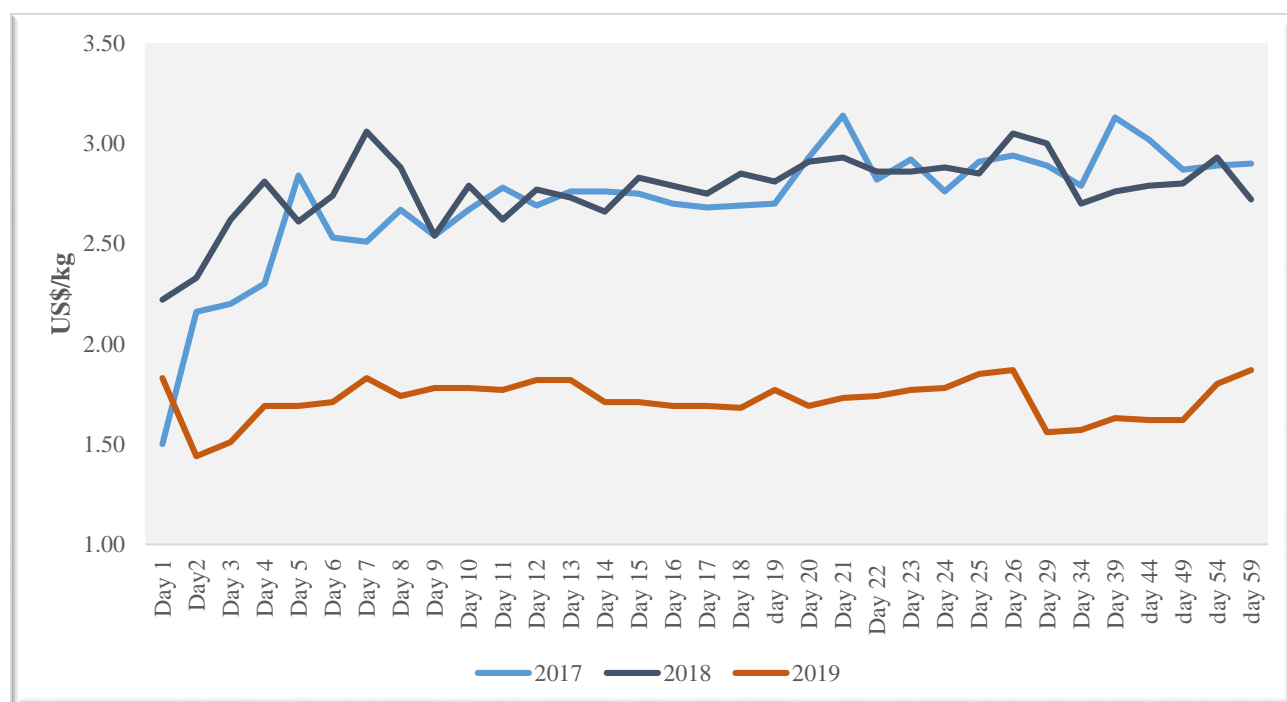
**Table 4: Weekly Cumulative Tobacco Sales: Day 59 (14<sup>th</sup> June 2019)**

	2018	2019	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	368,283	316,322	(14.1)
<b>Cumulative Average Price(US\$/kg)</b>	2.72	1.87	(40.9)
<b>Cumulative value (US\$)</b>	1,001,568	592,253	(31.2)

Source: Tobacco Industry and Marketing Board (TIMB), 2019

The average selling price for the golden leaf stood at US\$1.87/kg, during the week under review. This was a 40.9% decrease, compared to the average selling price of US\$2.72/kg realised during the same period in 2018.

**Figure 3: Average Tobacco Daily Price (US\$)**



Source: TIMB and ZTA, 2019

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and nickel firmed, during the week ending 14<sup>th</sup> June 2019. Crude oil prices, however, declined, as shown in Table 5.

**Table 5: International Commodity Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2019</b>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<b>weekly average (3-7 June)</b>	<b>1,329.79</b>	<b>808.00</b>	<b>5,816.37</b>	<b>11,662.60</b>	<b>61.87</b>
<b>10-Jun</b>	1,328.70	801.00	5,790.42	11,533.00	62.59
<b>11-Jun</b>	1,323.48	806.00	5,904.15	11,812.00	61.18
<b>12-Jun</b>	1,334.50	814.50	5,821.50	11,751.00	60.45
<b>13-Jun</b>	1,335.85	810.50	5,835.00	11,761.00	61.84
<b>14-Jun</b>	1,351.85	812.00	5,822.00	11,833.00	62.21
<b>weekly average (10-14 June)</b>	<b>1,334.88</b>	<b>808.80</b>	<b>5,834.61</b>	<b>11,738.00</b>	<b>61.65</b>
<b>Weekly Change (%)</b>	<i>0.4</i>	<i>0.1</i>	<i>0.3</i>	<i>0.6</i>	<i>(0.4)</i>

Source: BBC, KITCO and Bloomberg, 2019

#### **Gold**

Gold prices closed the week ending 14<sup>th</sup> June 2019 at a weekly average of US\$1,334.88/oz., up from US\$1,329.79, recorded in the previous week. This followed strong demand for the precious mineral, as a safe haven investment asset, amid expectations of interest rate reduction by the US Federal Reserve.

#### **Platinum**

Platinum prices rose by 0.1%, from a weekly average of US\$808.00/oz in the previous week to US\$808.80/oz, during the week under review. Prices continued to firm on account of uncertainties surrounding the protracted trade dispute between the US and China.

#### **Copper**

The weekly average prices of copper rose by 0.3%, from US\$5,816.37/tonne in the previous week to US\$5,834.61/tonne, during the week under analysis. A weaker US dollar brought about by expectations of an interest rate reduction continued to boost copper prices.

## Nickel

Nickel prices rose by 0.6%, from a weekly average of US\$11,662.60/tonne registered in the previous week, to close the week under review at US\$ 11,738.00/tonne. Similar to copper, expectations of an interest rate reduction also contributed to the increase in the price of nickel, during the week under analysis.

## Crude Oil

Weekly average oil prices declined by 0.4%, to close the week under analysis at US\$61.65/barrel. Prices continued to be weighed down by higher U.S. crude inventories and a bleak demand outlook.

## EXCHANGE RATES

During the week ending 14<sup>th</sup> June 2019, the ZWL depreciated against the US dollar, South African rand, British pound, Botswana pula and euro, as shown in Table 6.

**Table 6: International Exchange Rates per ZWL<sup>2</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2019</b>					
<b>Weekly Average (3-7 June)</b>	<b>5.5434</b>	<b>0.3790</b>	<b>7.0287</b>	<b>0.5117</b>	<b>6.2263</b>
<b>10-Jun</b>	5.4179	0.3722	6.8487	0.4998	6.0544
<b>11-Jun</b>	5.5135	0.3816	6.9870	0.5116	6.2054
<b>12-Jun</b>	5.5926	0.3823	7.1104	0.5162	6.2995
<b>13-Jun</b>	5.6496	0.3798	7.1690	0.5192	6.3461
<b>14-Jun</b>	5.7386	0.3810	7.2848	0.5259	6.4642
<b>Weekly Average (10-14 June)</b>	<b>5.8651</b>	<b>0.3954</b>	<b>7.4480</b>	<b>0.5390</b>	<b>6.6356</b>
<i>Appr(-)/Depr(+)(%) of the ZWL</i>	5.83	4.35	6.00	5.37	1.21

Source: Reserve Bank of Zimbabwe, 2019

<sup>2</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency.

## 5. EQUITY MARKETS

During the week ending 14<sup>th</sup> June 2019, the Zimbabwe Stock Exchange (ZSE) was characterized by bullish sentiment. Concomitantly, the ZSE All Share and Top 10 indices increased by 14.19 points and 19.96 points to close at 203.79 points and 201.69 points, respectively, during the week under review.

The industrial index increased from 632.94 points in the previous week, to close the week under review at 690.67 points. This was largely attributable to share price gains recorded at Edgars Stores Limited (21.78%); Medtech Holdings Limited (21.43%); Padenga Holdings Limited (20.77%); Econet Wireless Zimbabwe Limited (20.05%) and Zimre Property Investment Limited (19.84%).

The mining index gained 7.49 points, from 241.02 in the previous week, to close the week under review at 248.51 points. This was largely attributable to a 9.45% share price gain in Bindura Nickel Corporation.

**Table 7: Zimbabwe Stock Exchange Statistics**

	All Share Index <sup>3</sup> (points)	Top 10 index <sup>4</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
<b>17-May-19</b>	145.65	137.50	486.76	189.63	19,011,308,157	38,529,072	78,837,346
<b>24-May-19</b>	159.74	152.73	534.24	191.87	21,030,196,647	59,007,340	45,865,567
<b>31-May-19</b>	188.06	182.99	628.41	225.81	24,919,955,295	42,631,701	32,094,448
<b>7-June-19</b>	189.60	181.73	632.94	241.02	25,069,770,449	69,704,494	73,855,545
<b>14-June-19</b>	203.79	201.69	690.67	248.51	27,472,597,615	36,216,218	31,859,330
<b>Weekly Change (%)</b>	<b>7.48</b>	<b>10.98</b>	<b>9.12</b>	<b>3.11</b>	<b>9.58</b>	<b>-48.04</b>	<b>-56.86</b>

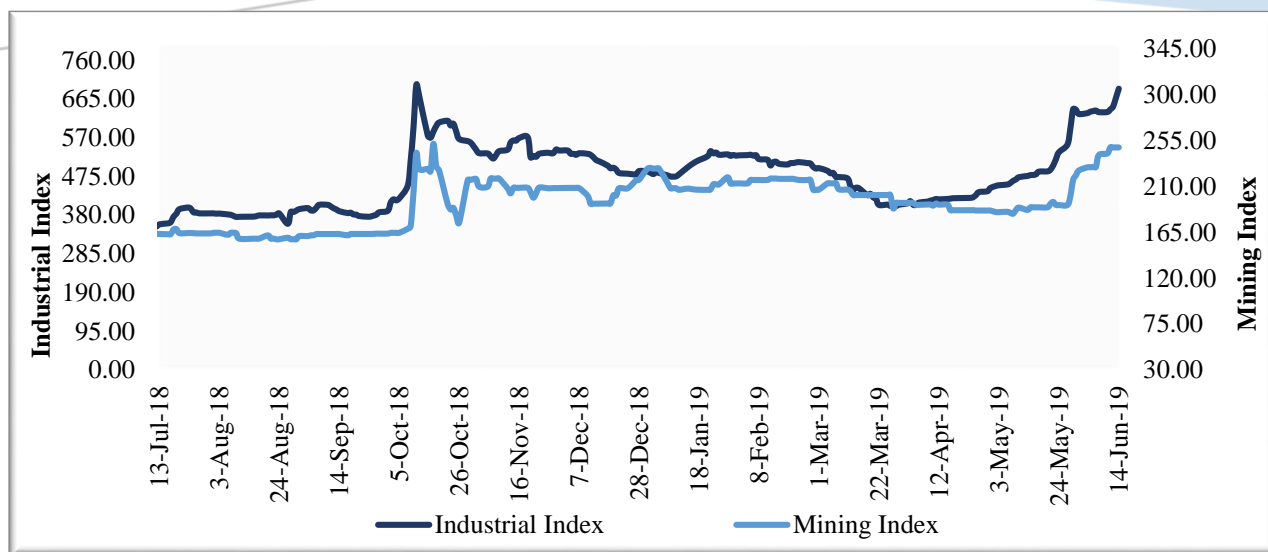
Source: Zimbabwe Stock Exchange (ZSE), 2019

<sup>3</sup> The All Share index shows the changing average value of shares of all companies on the market.

<sup>4</sup> The Index is calculated using the market capitalisation method.



**Figure 4: Zimbabwe Stock Exchange Indices**

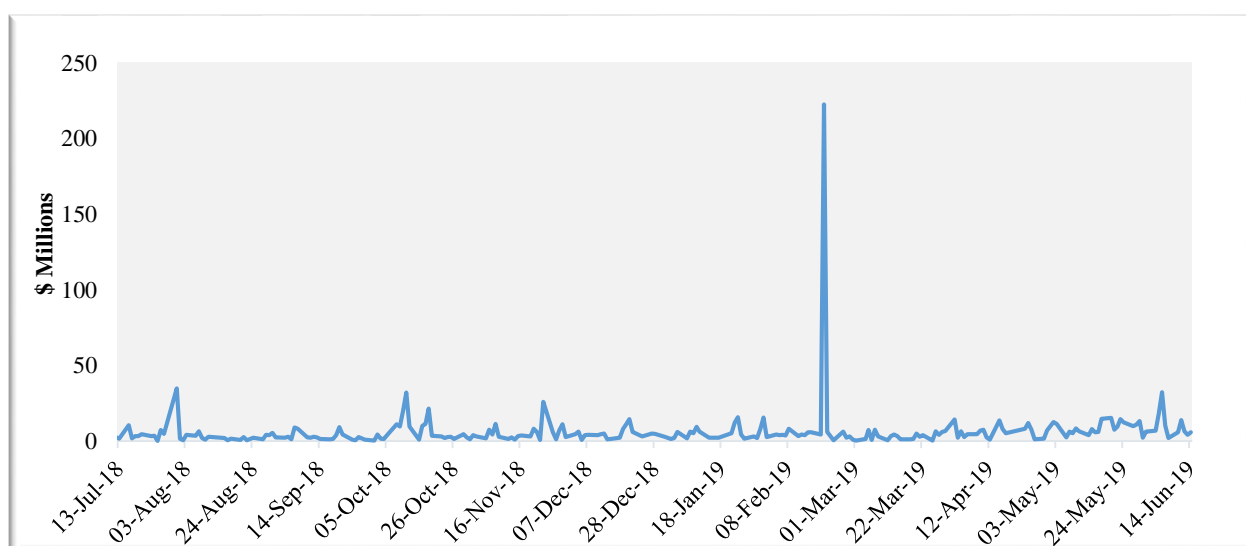


Source: Zimbabwe Stock Exchange, 2019

### Market Turnover and Volume

The cumulative volume of shares traded on the ZSE registered a 56.56% decline, to close the week under review at 31.86 million shares. In concomitance, the cumulative value of shares declined by 48.04% to \$36.22 million, during the same week.

**Figure 5: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2019

## Market Capitalization

ZSE market capitalization increased by 9.58%, to close the week under analysis at \$27.47 billion.

**Figure 6: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

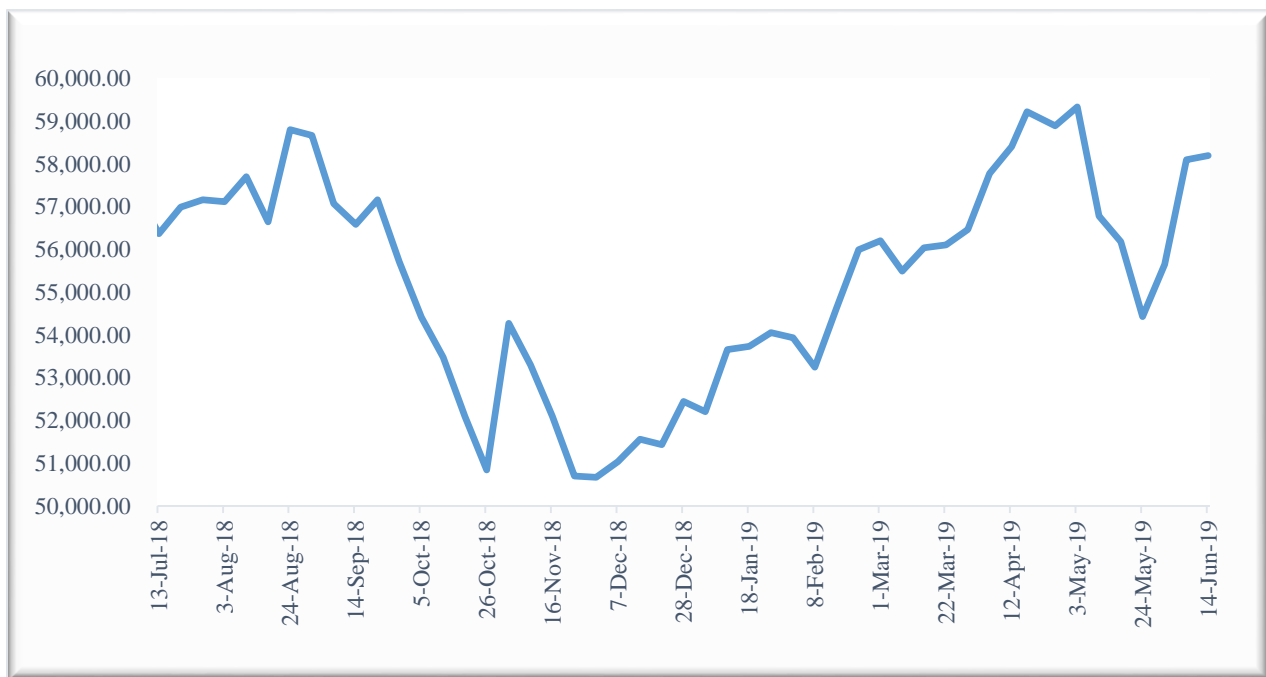
The JSE All Share Index closed the week under analysis at 58,193.78 points, a 16.17% increase from 58,099.84 points recorded in the previous week. Similarly, JSE market capitalization recorded a 30.66% increase to close at R16.31 billion, during the same week.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR billion)
<b>10-May-19</b>	56,780.75	15.95
<b>17-May-19</b>	56,183.21	15.89
<b>24-May 19</b>	54,423.56	15.56
<b>31-May 19</b>	55,650.41	15.58
<b>7-Jun 19</b>	58,099.84	16.31
<b>14-Jun 19</b>	58,193.78	16.36
<b>% Change</b>	<b>16.17</b>	<b>30.66</b>

Source: <https://www.jse.co.za/services/market-data/market-statistics,2019>

**Figure 7: Johannesburg Stock Exchange (JSE) All Share Index**



Source: <https://www.jse.co.za/services/market-data/market-statistics,2019>

**RESERVE BANK OF ZIMBABWE**

**21<sup>ST</sup> JUNE 2019**